

US Term Loan Discussion

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April 5, 2016



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- Since our last Board meeting, we have met with the ratings agencies and investors to update them in three areas:

- Removal of Coventry from the borrowing group and ADF pipeline adjustment

Attorney-Client Privilege

- Financial update on 2015 performance and revised projections going forward

- In addition to these Purdue-specific updates, there has been a significant amount of mostly negative legal and regulatory press related to the Pharma industry and specifically opioids
- Despite these challenges, we were able to secure Redacted ratings from S&P Redacted and Moody's Redacted as before and maintain strong interest from several investors

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- Additionally, in order to increase competition we added Citibank as a potential banking syndicate member
 - By having Citibank, Deutsche Bank and RBC compete to be in the transaction, we were able to secure more favorable transaction terms (e.g., covenants, revolving credit facility commitments)
 - We are recommending to hire JP Morgan, Citibank and RBC to lead the financing

Maintaining our ratings and investor interest was a critical outcome given the increasingly challenging Pharma (specifically opioids) landscape

